

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	12893	Agenda Number	13.
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Meeting Date:	2/9/2012	Department:	Parks and Recreation
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Subject

Approve a resolution declaring the City of Austin’s official intent to reimburse itself from Certificates of Obligation in the amount of \$2,360,000 for the construction of a multipurpose structure at Colony Park next to the Turner Roberts Recreation Center. Related to Item# 12.

Amount and Source of Funding

\$2,360,000 in Certificates of Obligation to be issued.

Fiscal Note

No fiscal Impact.

Purchasing Language:	
Prior Council Action:	December 15, 2011 –Council approved negotiation and execution of an amendment to the agreement between the City of Austin and the Austin Independent School District (AISD) for the construction of a joint-use facility.
For More Information:	Kimberly McNeeley, 974-9490; D’Anne Williams, 974-9456; April Thedford 974-6716
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Parks and Recreation Department requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse design, construction, and other related costs of the multipurpose structure at Colony Park next to the Turner Roberts Recreation Center. The permanent structure will be located at 7201 Colony Loop Drive, 78724. The structure will be used for the physical education program and general assembly area for the Austin Independent School District's Overton Elementary School and for City of Austin programs. The building will also be used as a public meeting space and for various youth basketball programs.

Approval of this request will allow the Department to execute an amendment to its lease agreement with AISD for co-located facilities for youth programs as well as provide a much needed recreational amenity to the residents of Colony Park Neighborhood and North East Austin.

The cost has increased from the original estimated amount of \$1million - \$2million range because of costs associated with constructing an enclosed building rather than an open air pavilion. Those additional costs are associated with HVAC, fire protection, restroom facilities, and LEED requirements. The estimate of \$2,360,000 includes a \$100,000 contingency.

For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and is generally drafted by bond counsel to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax exempt obligations. Reimbursement bonds generally must be issued 18 months after the later of, the date the expenditure was made, or the date that the project, with respect to which the expenditure was made, is placed in service.